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ABSTRACT

Intended as part of a larger study of the effects of anticipated or unanticipated changes in the chief executive officer (CEO) of a community college, a case study approach was taken to gather primary data from a multi-campus, urban community college that had recently experienced a CEO succession. The study focused on the effects of the CEO change on formal internal organizational design and on the strategic replacement or maintenance of key administrators following the succession. Documents, including institutional histories, college catalogs, governing board and executive council records, professional association fact books, and state publications were analyzed; and semi-structured interviews were conducted with the CEO and selected local opinion leaders. The case study revealed the following: (1) the institution was regarded as stable and well led prior to the succession of the CEO; (2) in the year in which the new CEO assumed duties, there were no changes in administrative structure; (3) in the first full year following the succession, changes in structure included the addition several new positions, including Dean of Instruction, Economic Development Officer, and Personnel Officer; (4) during the second full year of the new CEO's tenure, the CEO's title was changed from "superintendent" to "president"; (5) the new CEO tended to balance strategic replacement hirings among top-level administrators between insiders and outsiders. The study suggested that public community colleges may tend to hire insiders for CEO's and upper-level administrators, a tendency which may eventually result in weakened organizational leadership. (JMC)

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A GROUNDED THEORY

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Abstract

CEO Succession in Community Colleges: A Grounded Theory

CEO succession, the anticipated or unanticipated change of a formal organizational leader, has been examined in contexts which include athletic teams, newspaper publishing organizations, military organizations, elementary and secondary schools and mental hospitals. Results of these studies are ambiguous within each of the several study context. Further, it is unclear whether any previous studies will generalize to the community college. This paper, reporting results of the first case study in a series, identifies possible theoretical categories that may be affirmed or rejected as the project progresses.

CEO Succession In Community Colleges: A Grounded Theory

Succession is the anticipated or unanticipated change in the formal leader of a group or organization. Such a change in leader may occur for several reasons, including termination, death, retirement, disability or relocation. CEO succession in public 2-year colleges has received little attention from researchers.

Clark Kerr (1963), observing a group of almost 50 college and university presidents, noted that about half had two and a half years or less in their posts. Blum (29 Mar 1989) reported a survey of more than 34,500 college and university administrators which revealed a 15% annual CEO turnover rate for public two-year institutions. Jim Palmer, then of AACJC, affirmed the 15% annual turnover rate for community college CEO's. CEO succession is part of the future for all educational institutions. However, the effect of a new CEO on an institution is not clearly understood.

The effects of CEO succession have been studied in different organizational contexts including athletic teams (Grusky, 1963; Gamson and Scotch, 1964; Pfeffer and Salancik,

1977), military organizations (Kerner-Hoeg and O'Mara, 1980), mental hospitals (Kotin and Sharaf, 1967), newspaper publishing organizations (Carroll, 1964), elementary and secondary schools (Mitchell, 1978; Ogawa and Smith, 1985; Moen, 1971 & 1976) and 4-year colleges (Lutz, 1976; Bjork, 1985). Results of these studies are ambiguous within each of the several study contexts.

Oscar Grusky (1963) reported a One-Way Causality model of leader effect, attributing organizational change directly to the leader. Gamson and Scotch (1964) offered a No-Way Causality model of leader succession. When presenting the No-Way Causality model, Gamson and Scotch suggested that succession was an act of ritual scapegoating intended to satisfy influential external constituencies. The question of whether leader change contributes to improved organizational effect remained unanswered.

Birnbaum (1987) examined the relationship between faculty perceptions of change in the institution and CEO succession. He found that data gathered in the study supported either of two opposing views. First, CEO influence is limited by institutional stability and, second, CEO's cause institutional stability.

Thiemann (1968) developed a partial theory of CEO succession. He posited that an outside successor CEO who was successful tended to increase the bureaucratic form and add to the personnel overhead of the organization.

Gusky (1963), Thiemann (1968) and Gouldner (1954) reported that CEO successions were always disruptive of the organization.

The extent of the disruption and its effect were not clear. There is, however, little consensus among researchers supporting the conventional wisdom which assumes improved organizational effectiveness following succession.

Which, if any, of these previous studies will generalize to community colleges is not clear. However, the unique nature of community colleges suggests that a study of succession in a community college environment may prove useful. Further, an explanation of community college CEO succession may enable community colleges to realize practical benefits of increased institutional effectiveness and decreased organizational turbulence following CEO succession.

Definitions of key terms are at Appendix A.

VALUE OF A STUDY OF CEO SUCCESSION:

The larger study of which this case is a part will provide a substantive theory of community college CEO succession. Future researchers may test and refine the theory using qualitative and/or quantitative methods. This study may explain relationships between community college CEO succession and organizational effectiveness. The study will also contribute to enhanced effectiveness of the community college educational effort and organizational efficiency at a time when

accountability and public/legislative demands to demonstrate success are becoming more strident.

This case study reports events related to organizational change that occurred following a CEO succession. Case study methodology was used to gather primary data from a community college that had recently experienced a CEO succession. This methodology is appropriate for explaining, describing and conceptualizing events following a community college CEO succession. A review of selected literature suggested that a case study of community college CEO succession might report phenomena such as:

a. Strategic replacement of key administrators following succession

b. Changes in formal organizational structures following CEO succession.

c. Insider/outsider nature of the successor and strategic replacement behaviors following succession

d. Pre-succession organizational health of the institution and the insider/outsider nature of the successor.

The larger study uses the constant comparative method of theory development (Glaser and Strauss, 1967) while examining the case study institution for anticipated and emerging theoretical categories. The preliminary theoretical categories selected to guide the study included:

a. Effects of Community College CEO succession on formal internal organizational design.

b. Effects of Community College CEO succession on the occupation of existing positions in the CEO executive constellation.

The constant comparative method allowed for the emergence of new theoretical as the case developed.

SOURCES AND TREATMENT OF DATA

The case study methodology included reviews of documentary evidence and semi-structured interviews conducted with the institution CEO and selected local opinion leaders. Documentary sources included institutional histories, college catalogs, governing board and executive council records, professional association fact books and state government produced documents. Data was also collected from searches of ERIC DAI data bases and studies that produced theses or dissertations reporting the history of selected institutions.

Semi-structured interviews were conducted with selected institutional and community opinion leaders. The opinion leader selection process first required the CEO of the selected institution to provide the names of institutional and local community opinion leaders to the researcher. Each of the persons from the first list was contacted and a second list was solicited. The secondary lists were reviewed to identify the names of persons whose names appear repeatedly. The researcher

asked persons whose names appeared repeatedly on the secondary lists to participate in the study as interviewees.

The study of which this case is a part will offer a grounded theory of community college CEO succession, presenting possible explanations of some of the events that occur following a succession.

OBSERVATIONS

INTRODUCTION AND HISTORICAL PERSPECTIVE

This case study reports the events related to post-succession strategic replacement and institutional restructuring at a multi-campus urban publicly funded community college in the midwest. Only the data relevant to the research questions have been addressed in this case study. Founded in 1919 as a two-year college added to a previously existing high school, it is now a community college of over 2300 full and part-time students and a budget of over 7 million dollars.

The college had, until the current CEO arrived, a history of insiders as CEO's. An outsider served briefly as CEO prior to the current CEO's predecessor. The current CEO's predecessor had served as CEO for over 15 years and was an insider. Since 1965 there have been 4 CEO's, the longest tenure of which was over 15 years.

The new CEO's predecessor was well respected by the community and the board. The predecessor assumed

responsibilities at a time of reduced reputation and brought what was viewed as stability and fairness to the college community.

The institution was regarded as stable and well led prior to the succession. Discussion between the successor CEO and the Chairman of the Board of Trustees emphasized that the new CEO need not be bound by the decisions and practices of the past. The Board Chairman and individual members of the faculty and staff spoke of the need for a more aggressive and visible college administration.

PREDECESSOR CEO RELATIONS WITH GOVERNING BOARD

CEO relationships with the Board of Directors of the institution prior to the succession appear to have been nominal. The predecessor CEO retired at a traditional retirement age and in good standing publicly with the Board of Directors. The predecessor had previously deferred planned retirement at the request of the board. Local news media reporting comments by board members involved in hiring the successor CEO indicated a perceived need for a more visible and outgoing CEO to meet future institutional needs.

GOVERNING BOARD

The governing board is supportive of the institution. There have been two changes in board membership resulting from lost elections. Two other changes have occurred from resignations due to demands of other duties and retirement from board. The board appears to be progressive, supportive of the school generally as well as supportive of past and present CEO's.

SELECTION PROCESS

The selection process involved the Board of Trustees serving as a committee of the whole, aided by a consultant. Over fifty applications were received, six applicants were interviewed and two were considered qualified by the Board for the position.

The new CEO felt selection was based on educational background which included management and higher education degrees and broad and detailed familiarity with the state community college system.

CHANGES IN ADMINISTRATIVE ORGANIZATIONAL STRUCTURE and EXECUTIVE ROLE CONSTELLATION INCUMBENTS

PRESUCCESSION: Documentary evidence of the period two years prior to the succession of the present CEO indicates no changes

in incumbency or organizational structure of the executive role constellation.

The administrative structure of the college immediately prior to succession of the current CEO is reflected in Figure A. The CEO's span of control included campus directors, a continuing education director, financial services director and a director of student services. Additionally, the CEO had an administrative assistant and a secretary.

The next hierarchial level included supervisors for different instructional departments including industrial technology, health occupations, business and management, evening campus, agriculture, adult and continuing education and a supervisor of counselor services.

POST-SUCCESSION YEAR AND YEAR PLUS ONE: In the year in which the new CEO assumed duties there were no changes in administrative structure indicated in documents examined (Figure B). However, in the first full year following the CEO succession changes in structure included the addition of a Dean of Instruction and an Economic Development Officer. (Figure C) The Economic Development Officer position was moved from a place of relative institutional obscurity into the executive role constellation. Titles were changed from director to dean for the incumbent directors of student services and continuing education. The position of Dean of Instruction was created and filled by an insider. The first woman in the executive role constellation, a

person not previously listed in the college catalog or in other documents reviewed was employed as the Economic Development Officer. The CEO indicated that a woman in the executive role constellation was a goal.

A review of college rosters and directories indicate that one of the two campus directors, an insider, was newly appointed and replaced a short tenure outsider. Additionally, a new departmental chair was identified. Documentary evidence was ambiguous on the title and position of one key administrator who changed positions during this period. The ambiguity may have been an artifact of the timing of the appointment and the printing schedules for the documents examined.

The successor CEO acknowledged the changes and shared with the researcher the intent of changes which had occurred in the executive role constellation and a new institutional focus on instruction. This new focus was manifest in the creation of a new position of Dean of Instruction. The decision not to hire a replacement for the departed Administrative Assistant and the creation of a new Personnel Officer position were intended to reflect new CEO's more participative leadership style. Additionally, the new CEO was aware of the potential benefits of bringing outsiders into the organization while balancing those outside appointees with the appointment of insiders into the executive constellation.

TWO YEARS POST SUCCESSION: (See Figure D.) The second full year of the new CEO's tenure the CEO's title had been changed from Superintendent to President. Two years after the new CEO succession the number of persons in the Administrative Council was unchanged but organizational shape had changed. The administrative assistant had departed for a new position at another institution and the new position of Personnel Officer had been created and filled by an outsider. Additionally, an outsider was reflected as a new department level supervisor. A Dean's position had been vacated due the death of the incumbent and an insider had been appointed as replacement. While some of these persons and positions were not encompassed in the study definition of executive role constellation, all were seen as having administrative responsibilities to which a new CEO might give attention.

SUMMARY OF UPPER LEVEL CHANGES

The five top level positions immediately below the president existing at the time of succession were all changed in some form in the first full year following the CEO succession. Three central office directors were retitled "dean" and a new dean position was created. A new position of Economic Development Officer was created and filled by an outsider. The two campus director positions changed incumbents. In the second year following CEO succession, there were three incumbent changes,

including two outsiders and one insider. Table 1 reflects the changes in structure and incumbents over the period of the case study.

THEORETICAL CATEGORIES IDENTIFIED

Preliminary theoretical categories identified in this case were discussed previously in this paper. In the two year period following the succession the institution:

a. Changed in organizational shape and job responsibilities. The new CEO eliminated positions in the executive role constellation as they became vacant, redefined responsibilities for new and old incumbents, assigned new titles and created new positions.

b. Experienced changes in several executive constellation positions following succession for reasons that included death of one incumbent, resignation, and the assumption of additional duties and titles.

Two emerging theoretical categories were also identified. They were:

a. The tendency of a new CEO to balance strategic replacement hirings into the executive role constellation between insiders and outsiders.

b. Evolution of positions or persons formerly existing in the institution from a relatively invisible and powerless position not within the executive role constellation to a highly

visible and potentially powerful locus in the executive role constellation. Such a change may involve the elevation of the old incumbent or selection of a new incumbent.

This case also suggests the need to assess the degree to which an outsider might be considered a true "outsider". How that question is related to the hiring of "outside" CEO's may warrant greater attention.

STUDY IMPLICATIONS

This case and the larger study suggests that public community colleges may tend to inside hire practices for CEO's and upper level administrators. If additional case studies show this to be a consistent tendency, the question of general organizational health of the community college system may be raised. Thiemann (1974) suggested that organizations which experience a series of inside CEO succession may eventually experience weakened organizational leadership. Crisis and decline in organizational effectiveness during a period of increasing competition for students, constrained fiscal resources and public criticism may, synergistically, accelerate decline where such decline is already occurring or contribute to the beginning of decline in otherwise healthy institutions.

FIGURE A: EXECUTIVE CONSTELLATION
(PRE-SUCCESSION YEAR)

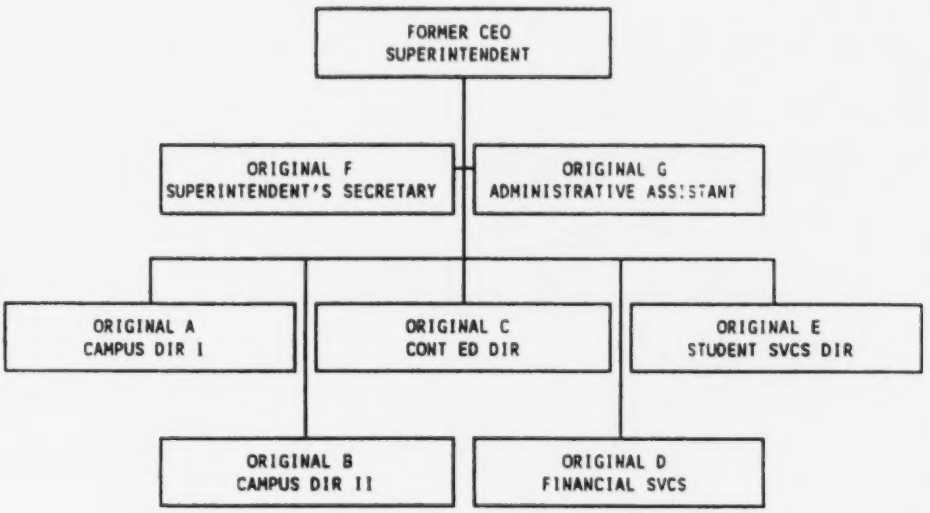

FIGURE B: EXECUTIVE CONSTELLATION
(SUCCESSION YEAR)

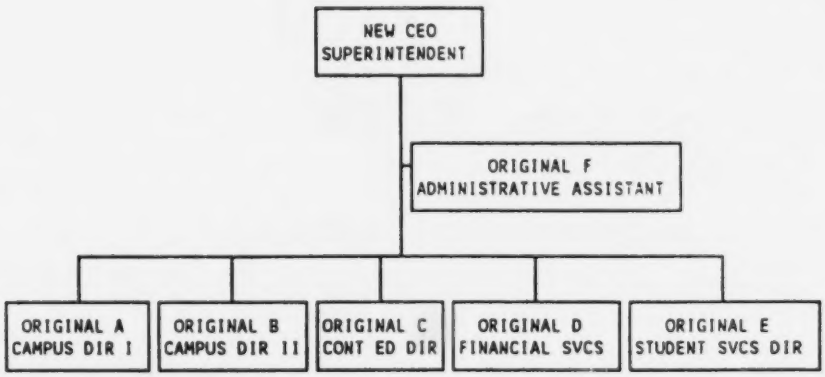

FIGURE C: EXECUTIVE SUCCESSION
(SUCCESSION + 1 YEAR)

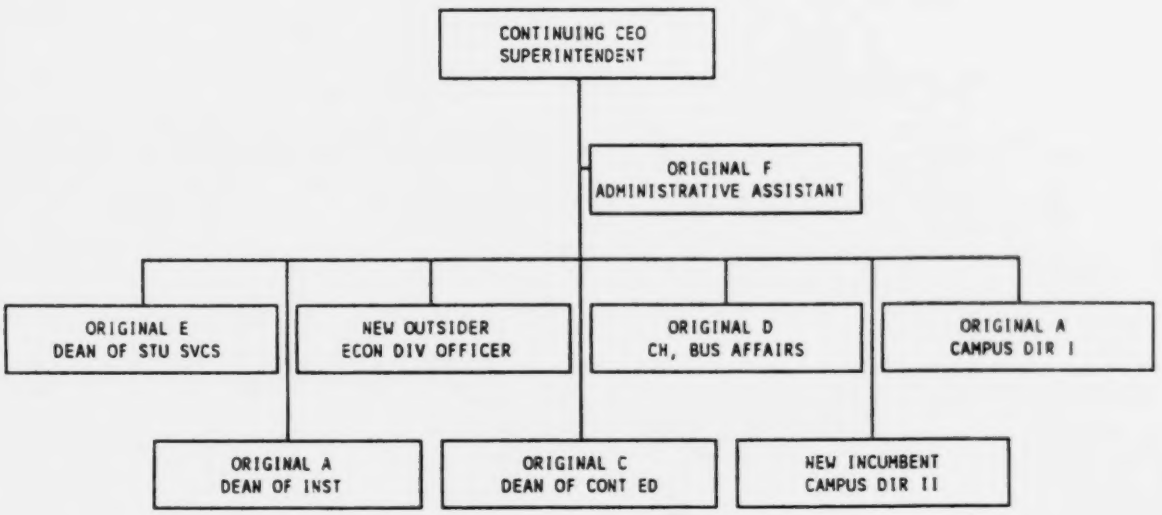

FIGURE D: EXECUTIVE CONSTELLATION
(SUCCESSION YEAR + 2)

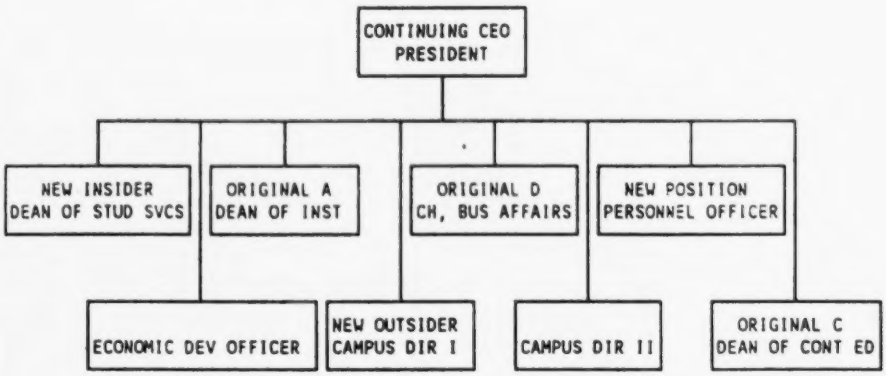

TABLE 1: SUMMARY OF PRE/POST SUCCESSION CHANGE

Position	Succession Year-1	Succession Year	Succession Year+1	Succession Year+2
President	old CEO	new CEO ****	no change ***	no change
Campus[1] Dir I	*	no change	no incumbent	changed, outsider ****
Campus[1] Dir II	*	no change	changed, insider **	changed, outsider ****
Dir, Cont Ed[1]	*	no change	no change ***	no change
Dir, Fin Svcs[1]	*	no change	no change ***	no change
Dir, Stu Svcs[1]	*	no change	no change ***	changed, insider **
Dept Head[2]	*	changed **	changed **	no incumbent
Dept Head[2]	*	no change	no change	no change
Dept Head[2]	*	no change	position deleted	position added, outsider *****

Dept Head[2]	*	no change	no change	no change
Dept Head[2]	*	no change	no change	no change
Dept Head[2]	*	no change	no change	no change
Dept Head[2]	*	no change	no change ***	changed, promotion
Admin Asst	*	no change	resigned	no incumbent position abolished
Dean of Inst	not yet extant	not yet extant	new position, insider *****	no change
Econ Dev Officer	invisible	invisible	filled, outsider ****	no change
Personnel Officer	not yet extant	not yet extant	not yet extant	filled, outsider *****

Legend: *-Original incumbent
**-Change in incumbent, insider
***-Change in title
****-Change in incumbent, outsider
*****-New position

1. The title "Directors" used in this table may reflect deans, directors, supervisors, vice presidents or others found at the second highest level of the organizational chart.

2. The title "Department heads" used in this table may reflect directors, supervisors, or other titles found at the third level of the organizational chart.

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APPENDIX A: DEFINITIONS

Succession: The result of any event such as death, retirement, resignation, or transfer that replaces a manager, administrator or leader with another, the successor. Gordon and Rosen (1981) define executive succession as the planned or unplanned change of the formal leader of a group or organization.

Executive Role Constellation: Those positions that are directly accountable to the president or CEO (Helmich & Brown, 1972). They include, in a corporate context, such positions as executive committee chairman, executive vice-president, senior vice-president, controller, treasurer, and corporate secretary. The executive role constellation for this study was operationally defined to be those vice-presidents, deans and other senior institutional officers who report directly to the institution chief executive officer (CEO).

In his study of administrative organizational patterns Lawson (1974) determined the administrative task for which various college personnel are responsible and the status of administrative charts in Illinois and other out-of-state

junior colleges. He gathered data from 59 out-of-state institutions and 43 Illinois institutions using an 88 item questionnaire. Lawson found that there were 156 administrative titles in Illinois junior colleges and 150 administrative titles in out-of-state junior colleges. He grouped these titles into 18 administrative functions that included; CEO, vice presidents, administrative services, instruction, business services, student personnel services, continuing education, learning resources, registrar, admissions, facilities, division/department guidance and counselling, public relations and community services, research and development, athletics, financial aid and placement, miscellaneous and groups and committees. This plethora of position titles demonstrates the difficulty of identifying appropriate interview respondents by title alone.

Strategic Replacement: A "rapid change in supervisory personnel following a succession" (Gouldner, 1954,p. 71). Strategic replacement was defined operationally in this study as the physical replacement of an incumbent with another person performing the same duties or the reassignment of duties from one administrator to another in a two year period following a CEO succession. Strategic replacement may occur

because of a gap between organizational requirements and the effectiveness of subordinate administrators as perceived by the CEO successor. Strategic replacement may also occur as a CEO successor perceives a need for the introduction of new skills or environmental information into the organization. In either case, incumbents may be replaced or the organizational structure may be changed.

Inside Successor: "One who places more importance on the place he/she resides and works than he/she does on career. This successor generally spends his/her professional career in one organization and advances by coming up through the ranks," (Thiemann, 1968, p. 27). This person is attached to and moves up in a particular organization.

Outside Successor: "A stranger to the organization." Thiemann, 1968, P. 27). This person is more likely concerned with his/her career and with the organization's development than he or she is with the place he/she resides, (Thiemann, 1968,p. 27). Loyalty is to the profession, opportunities for advancement within the profession are more important than a particular organization or location.

Biographical Sketch

Travis P. Kirkland is the Chair of the Department of Industrial Technology at Northeast Iowa Community College and a Doctoral Candidate in Higher Education at Iowa State University.

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